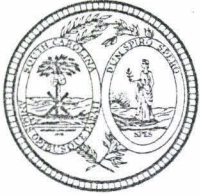


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LLR

SOUTH CAROLINA DEPARTMENT OF LABOR, LICENSING AND REGULATION

Jim Hodges  
Governor  
Rita M. McKinney  
Director

October 21, 1999

Koger Office Park, Kingstree Building  
110 Centerview Drive  
Post Office Box 11329  
Columbia, SC 29211-1329  
(803) 896-4300  
FAX: (803) 896-4393

Mr. Les Boles, Director  
Office of State Budget  
1122 Lady Street, 12<sup>th</sup> floor  
Columbia, South Carolina 29201

Dear Mr. Boles:

Enclosed please find a hard copy of the Annual Accountability Report for the year ended June 30, 1999 of the South Carolina Department of Labor, Licensing and Regulation. A copy of this report was faxed to your office on October 15, 1999.

During fiscal year 1998, the Department of Labor, Licensing and Regulation began development of a strategic plan. This process helped our agency envision its future and develop the mission, vision, values and broad directives needed to reach our goals. The strategic plan is in the process of being reviewed and updated to reflect the current administration's direction. Performance measures which track program workload and outcomes continue to be developed. One of my priorities is to ensure a unity of purpose exists within the agency with each employee understanding the agency's mission and vision and how individual job duties contribute to accomplishing them.

If you have any questions regarding the report, please call Deme Loftis at 896-4313 or me at 896-4390.

Sincerely,

Rita M. McKinney

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OCT 22 1999

Budget & Control Board  
OFFICE OF STATE BUDGET

RMM/tjh

Enclosure

cc: Deme Loftis w/enclosure

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STATE DOCUMENTS

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Budget & Control Board  
OFFICE OF STATE BUDGET

SC Department of Labor, Licensing & Regulation  
FY1998-1999 Accountability Report

**Executive Summary**

**AGENCY HISTORY**

The South Carolina Legislature restructured a significant portion of state government in 1993. Effective February 1, 1994, Act 181 created the South Carolina Department of Labor, Licensing and Regulation (LLR) which merged the Department of Labor, the State Fire Marshal's Office, the South Carolina Fire Academy and 38 professional and occupational licensing boards into the new agency. The diverse composition of LLR creates a complex organizational structure with many unique management challenges.

The legislation empowered the Governor to appoint a director of the agency with the advice and consent of the Senate.

LLR is organized into four divisions: Fire and Life Safety, Labor, Professional and Occupational Licensing (POL) and Administration.

**MISSION STATEMENT**

The mission of the South Carolina Department of Labor, Licensing and Regulation is to promote the safety, health and economic well being of the public through regulation, licensing, enforcement, training and education.

LLR will accomplish this mission by:

- promoting a regulatory climate where businesses and individuals can create jobs and wealth which will in turn benefit our citizens;

- conducting appropriate inspection and complaint investigation programs and, when necessary, pursuing enforcement options as provided by law;
- administering licensing, permitting and certification programs, as provided by law;
- providing appropriate education, information, and outreach programs; and
- serving as the state's fire safety focal point by providing code enforcement, fire safety education, prevention programs and training to volunteer, paid and industrial firefighters.

## **CRITERIA IN RANKING PROGRAMS**

The agency used several factors, including business friendly initiatives, safety of employees and the general public, regulatory requirements and funding, in order to priority rank agency programs.

## **MAJOR PROGRAM GOALS**

- Ensure a unity of purpose exists within the agency with each employee understanding the agency's mission and vision and how individual job duties contribute to accomplishment of the mission.
- Establish partnerships with employer organizations in order to foster a better understanding of OSHA's rules and regulations to aid employers in compliance and improvement of the quality of safety and health programs for South Carolina's workforce.
- Enhance and improve all aspects of course delivery at the Fire Academy to include resident training and props, industrial and public fire service marketing, curriculum, regional training services and administrative support. Expand industry client base to better prepare South Carolina industry for potential hazards.
- Create and maintain a fire safe environment for South Carolina citizens through code enforcement, the expansion of the "Freddie in Schools" fire safety education program, public service announcements and the distribution of smoke alarms.
- Protect the safety, health and well being of the general public by licensing qualified individuals and businesses and establishing education programs for licensees to enhance their performance.
- Ensure compliance with the South Carolina Elevator and Amusement Ride Safety Codes.



## KEY BUSINESS DRIVERS

	<u>FY94-95</u>	<u>FY95-96</u>	<u>FY96-97</u>	<u>FY97-98</u>	<u>FY98-99</u>
• Percentage of businesses in voluntary compliance	99.6%	97.9%	98.7%	96.3%	99.6%
• South Carolina injury and illness rate	7.1/1,000	6.7/1,000	*	5.9/1,000	5.9/1,000
• Fire deaths	120	108	137	93	69
• Firefighters trained	16,000	16,800	17,000	15,563	16,797
• Students receiving Freddie-in-Schools fire prevention curriculum	40,000	50,000	60,000	50,000	143,000
• Elevator fatalities	0	0	0	0	0
• Amusement ride fatalities	1	0	0	0	0

## COOPERATIVE EFFORTS

- Continued working with local fire departments gathering information for the SC Fire Incident Reporting System.
- Worked with FEMA and the SC Emergency Preparedness Division to develop and deliver anti-terrorism training to all emergency responders including law enforcement statewide.
- Worked with DHEC, DSS and DDSN to distribute 90,000 smoke detectors.
- Worked with USDOL, US Justice Department and DHEC to distribute to growers and farmworkers a video package on compliance with state and federal regulations and immigration information.
- Continued a partnership with the Department of Revenue for the collection of delinquent penalties.
- Worked with ETV on a child labor laws presentation.
- Provided DSS with list of licensees in compliance with "Deadbeat Dad" legislation.
- Worked with Association of General Contractors and ETV on a training seminar for Residential Home Builders and Contractors.

## LEADERSHIP SYSTEM

The Leadership team at Labor, Licensing and Regulation consists of Director Rita McKinney and her eight direct reports. They are:

Deme Loftis, Deputy Director of Administration  
Gene Matthews, Deputy Director of Labor  
Adrienne Youmans, Deputy Director of POL  
Misty Goldstein, Legislative Liaison  
Jay Pitts, Assistant to the Agency Director  
Jim Knight, Director of Public Information  
Deputy Director of Fire and Life Safety (currently being filled)  
Wendy Harvey, General Counsel

This team is responsible for providing the agency with the leadership, resources and direction that will enable the agency to achieve its mission and vision.

The strategic plan developed under Lewis Gossett, the former Director, is in the process of being reviewed and updated to reflect the direction Director McKinney has set for the Department of Labor, Licensing and Regulation. One of Director McKinney's priorities is to ensure a unity of purpose exists within the agency with each employee understanding the agency's mission and vision and how individual job duties contribute to accomplishing them.

### Strategic Planning Process

During FY98 LLR, with the help of the Institute of Public Affairs at USC, began development of a strategic plan. This process helped the agency envision its future and develop a plan for the future.

Questions asked during the process included:

What business are we in?  
Are we satisfying our key interests?

Who are our customers?  
Are we productive and effective in what we do?

How well are we performing?

LLR conducted an internal assessment and external scan of our customers' view of our performance and completed a SWOT Analysis (Strengths, Weaknesses, Opportunities and Threats). An agency mission statement as well as vision and values were developed. Strategic issues and broad strategies to deal with these issues were identified.

The existing strategic plan is attached for your review. The executive management team is planning a one-day management retreat during which we will reexamine the vision and values of the agency and then gather input from employee focus groups from each major division of the agency. After the executive management team reviews this input and prepares its response, each division will be asked for input as to how it will implement the requirements of the strategic plan, i.e., how operational goals will be set and performance indicators develop to support the stated strategic goals. Important to this feedback from each division will be information that will be gathered from employee assessment and customer surveys. As performance indicators are developed and reviewed, processes will be continuously analyzed for needed improvement and modification made as necessary. The performance management system will reflect job duties that will impact the agency's strategic goals.

### **CUSTOMER FOCUS AND SATISFACTION**

During the strategic planning process, LLR identified its customers and their expectations. Our customers and their expectations include:

Licensees –	Easy, fast and reasonable licensure process Accurate information Due process in disciplinary process
General Public -	Protection and recourse if they are not protected Accurate information Solution to their problem Fair, reasonable application of laws and regulations
People We Regulate -	Fair, consistent and reasonable application of laws and regulations Knowledgeable employees Clear understanding of and input into the regulation process



People We Regulate (Cont.) - Accurate and up-to-date information  
Immediate response

Fire Service - Top quality, inexpensive, diverse training classes  
Access to agency head  
Immediate response to problems

Board Members - Knowledgeable, efficient staff and legal support  
Efficient licensing process  
Lower central administrative support costs  
Legislative assistance

Trainees/Customers - Up-to-date and useable curriculum taught by knowledgeable instructors  
Modern, updated facility and equipment  
Certification, professional CEU's

Agency Employees - Consistent and fair application and enforcement of policies  
Adequate and comparable (both internal and external) pay  
Current technology  
Input into processes  
Organizational and management support  
Recognition for abilities and expertise  
Professional development and training  
Career paths

The Department of Labor, Licensing and Regulation is developing an agency-wide plan to monitor customer needs and if they are being met in a satisfactory manner. Several of our programs currently survey their customers in an effort to learn about customer satisfaction, concerns, issues, expectations and future needs or desires.

Currently the State Fire Academy monitors customer satisfaction through student evaluations. These evaluations are taken after each course and monitor several areas including instructor competency, course content, operation of the site/facilities, and technology needs.

On a scale of 1.5 to 5.0, with 5.0 being the highest, the academy rates:

4.0	Operation of facility
4.5	Instructor knowledge and delivery
3.75	Course content

Through the development of our strategic plan, which places great emphasis on process improvement and the development of performance measurements, the Department will be better able to monitor and evaluate:

- 1) Customer complaints – type, number of and resolution;
- 2) Effectiveness of programs;
- 3) Ability of staff to solve problems and communicate both internally and externally their needs and their customers'; and
- 4) Comparison of services with similar programs (benchmarking).



PRIORITY RANKING:

1

PROGRAM NAME:

OSHA Voluntary Programs

PROGRAM COST:

State Funds: \$229,462  
Federal Funds \$648,973

PROGRAM GOAL:

Establish partnerships with employer organizations in order to foster a better understanding of OSHA's rules and regulations to aid employers in compliance and improvement of the quality of safety and health programs for South Carolina's workforce.

PROGRAM OBJECTIVE:

Implement Safety Works Campaign to increase awareness of the Office of Voluntary Programs by 25% over the next year.

Respond to 100% of requests for OVP services from companies responding to SAFETY WORKS campaign.

Continue to lead the nation in the number of VPP Palmetto Star Sites in a State Plan state.

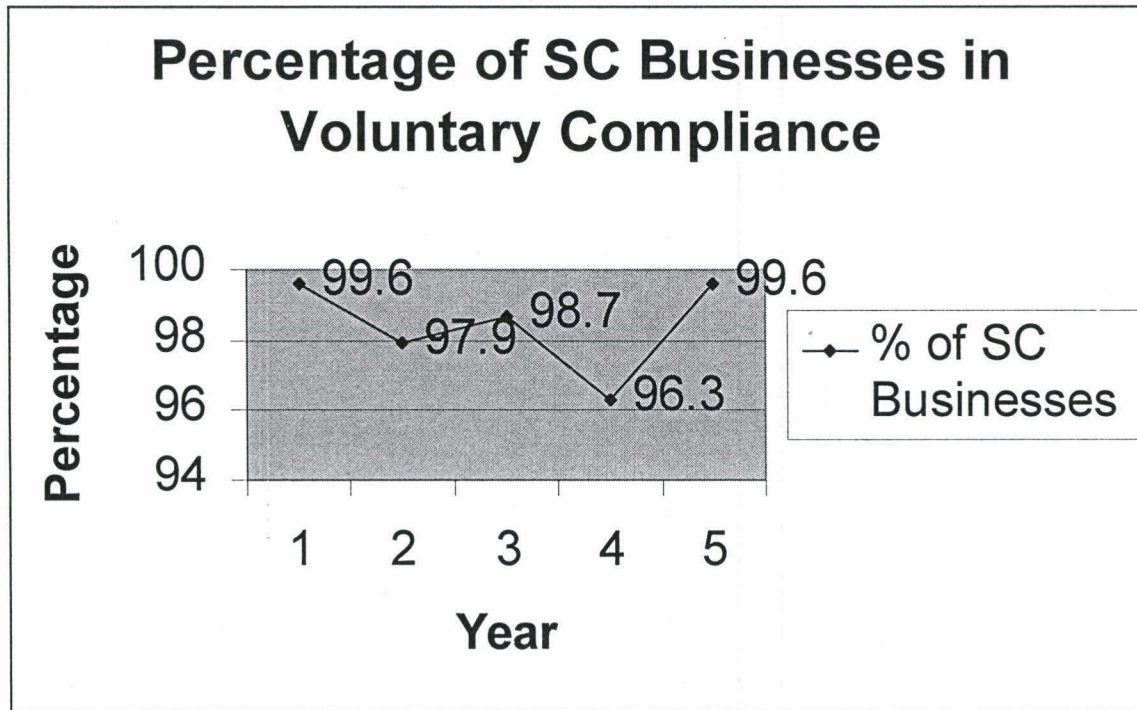
Provide training to businesses cited for non-compliance as part of settlement agreement.

PROGRAM RESULTS:

	<u>FY94-95</u>	<u>FY95-96</u>	<u>FY96-97</u>	<u>FY97-98</u>	<u>FY98-99</u>	<u>GOAL</u>
<u>Key Business Drivers:</u>						
No. of workplaces achieving compliance	99.6%	97.9%	98.7%	96.3%	99.6%	100%
Total hazards corrected	5,282	4,797	4,845	4,045	5,715	
% of employers visited who implement safety & health program or improve existing program	*	*	*	*	50%	65%
Approved Palmetto Star sites	*	*	24	28	34	
<u>Workload:</u>						
No. of trainees	12,083	14,522	13,990	14,675	18,769	
No. of training programs	441	491	507	430	833	

\* New performance measures. Information is not available for previous years.

**Key Business Driver: Percentage of Businesses in Voluntary Compliance**



**Year 1 – FY95**

**Year 2 – FY96**

**Year 3 – FY97**

**Year 4 – FY98**

**Year 5 – FY99**

PRIORITY RANKING: 2

PROGRAM NAME: Occupational Safety and Health

PROGRAM COST: State Funds: \$1,069,146  
Federal Funds: \$1,077,124

PROGRAM GOAL: Provide safe and healthy work environment for all employees through the adoption, interpretation and enforcement of safety and health standards in order to assure the health and safety of all employees in both the public and private sectors.

PROGRAM OBJECTIVE: Improve workplace safety and health for all workers, as evidenced by fewer hazards, reduced exposures, and fewer injuries, illnesses and fatalities.

Change workplace culture to increase employer and worker awareness of, commitment to, and involvement in safety and health.

PROGRAM RESULTS:

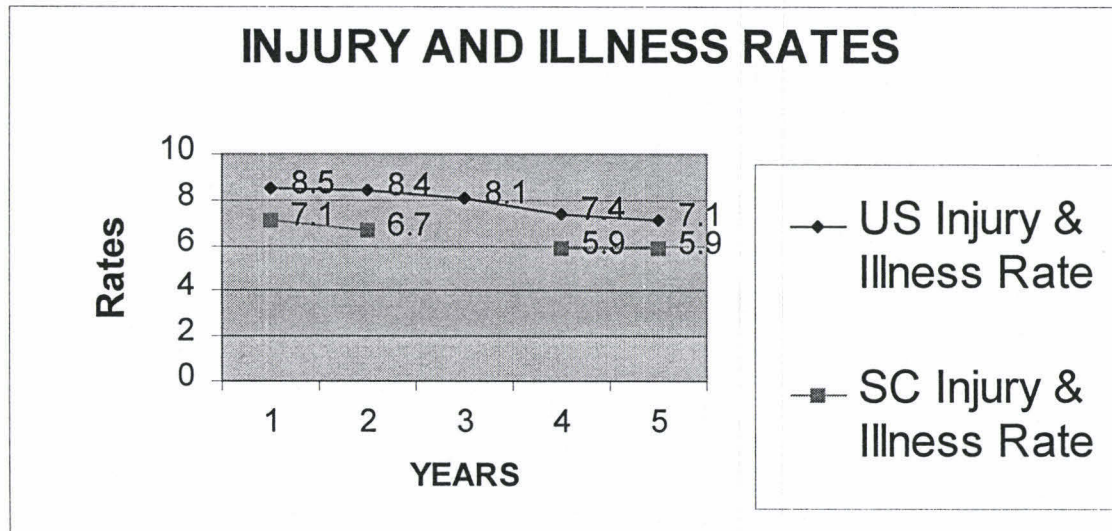
	FY94-95	FY95-96	FY96-97	FY97-98	FY98-99	GOAL
<u>Key Business Drivers:</u>						
SC injury and illness rate	7.1	6.7	*	5.9	5.9	
Percent of business in compliance	25.7%	29%	35%	31.6%	22.0%	
Total hazards identified	5,267	3,072	2,745	3,223	3,490	
Injury and illnesses reduced in top 5 industries	**	**	**	**	5.0%	15%
Initiate fatality and catastrophe investigations within 1 day	**	**	**	**	100%	100%
<u>Workload:</u>						
No. of inspections	1,746	1,636	1,375	1,534	1,458	
No. of fatality investigations	27	32	25	25	35	
Employees covered	117,927	108,176	120,094	132,714	98,690	

\*Data not available. Data was collected at a national level only.

\*\* New performance measures. Information is not available for previous years.



**Key Business Driver: Injury and Illness Rates**



**Year 1 – FY95**

**Year 2 – FY96**

**Year 3 – FY97**

**Year 4 – FY98**

**Year 5 – FY99**

PRIORITY RANKING: 3

PROGRAM NAME: State Fire Marshal's Office

PROGRAM COST: Federal Funds: \$ 11,950  
Other Funds: \$1,571,185

PROGRAM GOAL: Create and maintain a fire safe environment for SC citizens.

PROGRAM OBJECTIVE: Conduct inspections, code consultations and plan reviews to ensure compliance with national and state-adopted fire safety codes and standards promulgated by the agency and the Liquefied Petroleum Gas Board.

Provide public fire safety education for local schools, community groups and in radio and television fire safety messages.

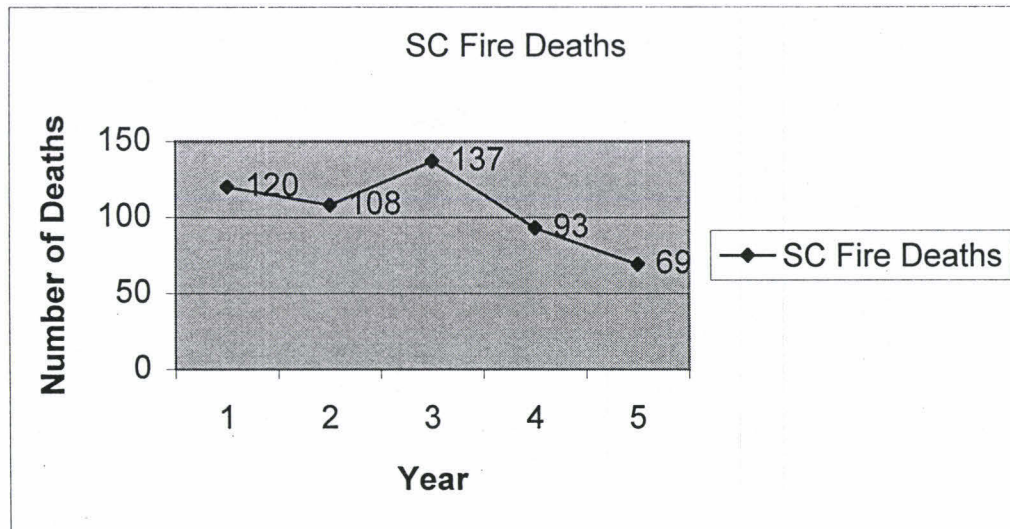
PROGRAM RESULTS:

	<u>FY94-95</u>	<u>FY95-96</u>	<u>FY96-97</u>	<u>FY97-98</u>	<u>FY98-99</u>
<u>Key Business Drivers:</u>					
Fire deaths (based on calendar year)	120	108	137	93	69
% Increase in test scores –					
After delivery of "Freddie" program (1)					
Kindergarten	*	*	*	*	15%
First Grade	*	*	*	*	16%
2 <sup>nd</sup> Grade	*	*	*	*	30%
3 <sup>rd</sup> Grade	*	*	*	*	50%
<u>Workload:</u>					
No. of students receiving "Freddie-in-Schools"					
fire prevention curriculum	40,000	60,000	50,000	50,000	143,000
Smoke detectors provided to "at-risk" citizens	200,000	100,000	100,000	90,000	150,000

\*New performance measures. Information is not available for previous years.

(1) Pre-course tests are given to students before delivery of "Freddie" program. Post-course scores show increase in fire safety awareness after course delivery.

**Key Business Driver: Fire Deaths**



**Year 1 – FY95**

**Year 2 – FY96**

**Year 3 – FY97**

**Year 4 – FY98**

**Year 5 – FY99**



PRIORITY RANKING: 4

PROGRAM NAME: SC Fire Academy

PROGRAM COST: Federal Funds: \$ 32,177  
Other Funds: \$3,348,027

PROGRAM GOAL: Provide an instructional delivery system through which a standardized statewide firefighter training curriculum is developed and implemented to train a maximum number of career, volunteer, and industrial fire service personnel.

PROGRAM OBJECTIVE: Enhance and improve all aspects of course delivery at the Fire Academy to include resident training and props, industrial and public fire service marketing, curriculum, regional training services and administrative support.

Expand industry client base to better prepare South Carolina industry for potential hazards.

PROGRAM RESULTS:

	FY94-95	FY95-96	FY96-97	FY97-98	FY98-99
<u>Key Business Drivers:</u>					
Fire fighter deaths	0	5	0	0	0
Overall course rating*	**	**	**	**	3.75
Facility rating*	**	**	**	**	4.0
Dormitory rating*	**	**	**	**	4.0
Instructor rating*	**	**	**	**	4.5
<u>Workload:</u>					
No. of training programs	1,200	1,400	1,300	1,552	1,182
No. of firefighters trained	16,000	16,800	17,000	15,563	16,797
Firefighters completing certification programs	300	300	450	310	450

\*Based on customer surveys conducted after each course. Scoring is 1.5 – lowest through 5.0 – highest.

\*\* New performance measures. Information is not available for previous years.

PRIORITY RANKING: 5

PROGRAM NAME: Division of Professional and Occupational Licensing

PROGRAM COST: Other Funds: \$10,177,080

PROGRAM GOAL: Protect the safety, health and well being of the general public by licensing qualified individuals and businesses and establishing education programs for licensees to enhance their performance.

PROGRAM OBJECTIVE: Process applications so that only practitioners meeting State-established requirements are licensed and practicing. Competency and ethical standards are promoted through the establishment of rules and requirements for specified professions and occupations.

Conduct appropriate routine inspections of programs, facilities, structures and events to assure adherence to established requirements for the particular profession/occupation. Conduct impartial investigations of complaints against licensed practitioners with appropriate disciplinary action.

Inform the general public and licensees about board functions, licensees and the procedures by which complaints are filed, processed and resolved in addition to ensuring that the general public has reasonable access to licensee information via the internet.

Facilitate communication and cooperation among boards, professional/trade associations and other entities involved in the regulatory process.

#### PROGRAM RESULTS:

	FY94-95	FY95-96	FY96-97	FY97-98	FY98-99
<u>Workload:</u>					
No. of new license applications processed	24,972	23,987	22,940	29,869	26,213
No. of renewal license applications processed	220,871	199,638	189,791	184,509	211,901
No. of complaints opened	4,065	4,456	4,8240	5,309	5,191
No. of investigations/inspections	24,433	20,389	12,031	17,956	18,815

Key Business Drivers:

Percentage of complaints closed:\*

By dismissal

Non-disciplinary action

Disciplinary action

Number of inspections that result in disciplinary action\*

Number of hits on Internet site \*

Number of pages viewed on internet site\*

\* New performance measures. Information is not available for previous years.



PRIORITY RANKING: 6

PROGRAM NAME: Elevator and Amusement Rides

PROGRAM COST: State Funds: \$764,320

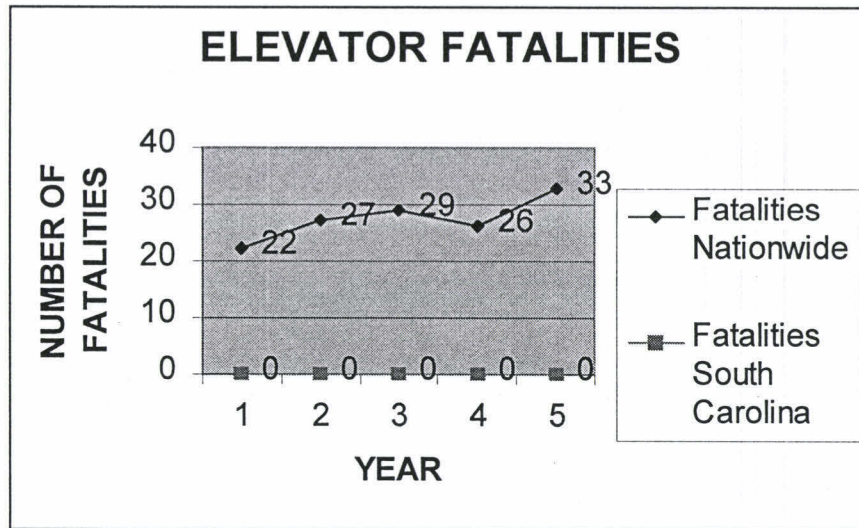
PROGRAM GOAL: Administer and ensure compliance with the SC Elevator Code and SC Amusement Ride Safety Code. Provide, as requested, technical assistance and training to owners.

PROGRAM OBJECTIVE: Register and inspect elevators and amusement rides to ensure the highest level of safety.

PERFORMANCE MEASURES:

	<u>FY94-95</u>	<u>FY95-96</u>	<u>FY96-97</u>	<u>FY97-98</u>	<u>FY98-99</u>
<u>Key Business Drivers:</u>					
Elevator fatalities	0	0	0	0	0
Amusement ride fatalities	1	0	0	0	0
<u>Workload:</u>					
Elevators inspected	5,096	5,195	5,235	5,039	6,342
Elevators registered	5,484	5,764	6,113	7,290	6,119
Amusement rides inspected	979	973	755	1,000	801
Operating permits issued for amusement rides	842	803	583	692	636

**Key Business Driver: Elevator Fatalities**



**Year 1 – FY95**

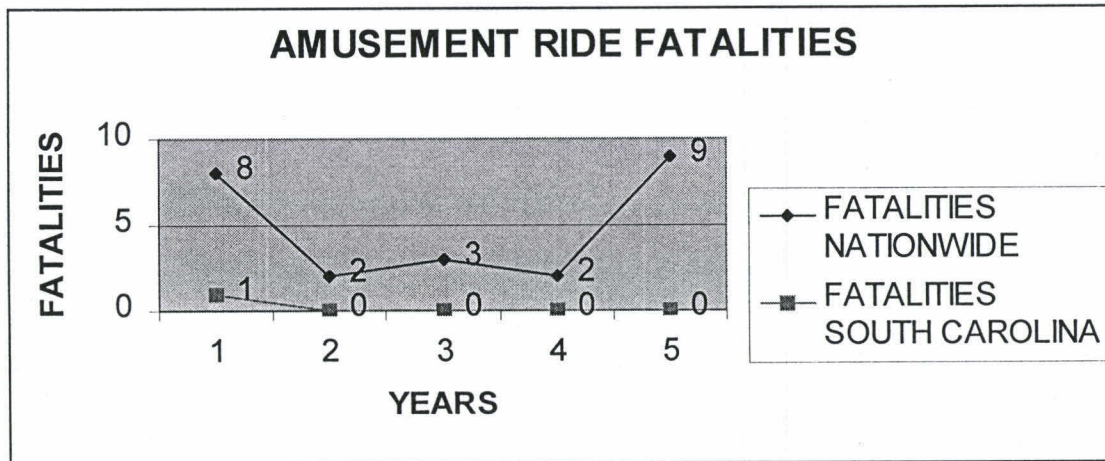
**Year 2 – FY96**

**Year 3 – FY97**

**Year 4 – FY98**

**Year 5 – FY99**

**Key Business Driver: Amusement Ride Fatalities**



**Year 1 – FY95**

**Year 2 – FY96**

**Year 3 – FY97**

**Year 4 – FY98**

**Year 5 – FY99**



PRIORITY RANKING: 7

PROGRAM NAME: Labor Services Office

PROGRAM COST: State Funds: \$693,562

PROGRAM GOAL: Ensure compliance with the Payment of Wages and Child Labor Acts.

PROGRAM OBJECTIVE: Educate public through mail outs, ETV presentations, VideoTapes and consultations.  
Resolve 100% of claims received.

PERFORMANCE MEASURES:

	<u>FY94-95</u>	<u>FY95-96</u>	<u>FY96-97</u>	<u>FY97-98</u>	<u>FY98-99</u>
<u>Key Business Drivers:</u>					
% of complaints investigated	100%	100%	100%	100%	100%
Violations cited-wage related	4,831	5,135	5,616	5,001	5,581
Violations cited-child labor	83	77	94	134	68
<u>Workload:</u>					
Complaints received- payment of wages	1,677	1,678	1,875	1,744	1,997
Child labor investigations	70	71	80	160	119

PRIORITY RANKING: 8

PROGRAM NAME: Mediation for Organized Labor

PROGRAM COST: State Funds: \$143,723

PROGRAM GOAL: Assists in the settlement of labor disputes.  
Administers the SC Right to Work Law.

PROGRAM OBJECTIVE: Investigates industrial disputes, strikes, lockouts and their causes and tries to help the sides reach an agreement.

Investigate right to work complaints.

Try to eliminate the causes of misunderstanding and differences between unionized labor and management.

PERFORMANCE MEASURES:

	<u>FY94-95</u>	<u>FY95-96</u>	<u>FY96-97</u>	<u>FY97-98</u>	<u>FY98-99</u>
<u>Key Business Drivers:</u>					
Reported strikes	1	2	1	2	2
Workers involved in strikes	14	91	11	2,694	501
Work hours lost due to strike	13,664	6,488	8,976	338,728	70,464
<u>Workload:</u>					
Union workers involved in negotiations	17,944	17,349	17,431	18,404	21,131
Right to work cases	28	17	33	29	33
Contracts negotiated	255	238	208	239	244

PRIORITY RANKING: 9

PROGRAM NAME: SC Migrant and Seasonal Farm Workers Commission

PROGRAM COST: State Funds: \$29,234

PROGRAM GOAL: Actively participate in addressing problems and issues that affect migrant and seasonal farm workers.

PROGRAM OBJECTIVE: Cooperate with federal and state agencies and local organizations to examine migrant programs.

Maintain a continuing consultative examination and supervision of migrant labor problems.

PERFORMANCE MEASURES:

	<u>FY94-95</u>	<u>FY95-96</u>	<u>FY96-97</u>	<u>FY97-98</u>	<u>FY98-99</u>
<u>Key Business Driver:</u>					
% Response to requests for referral/help	100%	100%	100%	100%	100%
<u>Workload:</u>					
Migrant and seasonal farm workers	1,600	1,600	1,600	1,600	1,600